

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 1, 2012

Michael Shumway Mining and Exploration Consultants, Inc. PO Box 1032 Moab, Utah 84532

Subject: Permit to Commence Exploration Activities, Mining and Exploration Consultants,

Inc., Pete Project, E/019/0074, Grand County, Utah

Dear Mr. Shumway:

The Division of Oil, Gas and Mining finds your Notice of Intention to Conduct Exploration (Notice) complete and approves the reclamation surety for the Pete Project exploration project. You are now permitted to conduct exploration activities as outlined in the Notice provided you have approval from all other appropriate agencies. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. Enclosed please find a copy of the reclamation contract and stamped approved Notice.

Please keep in mind the following regulatory requirements.

- This permit is valid until November 30, 2012. It may be extended, but you must receive Division approval for an extension prior to the expiration date. Updating of surety may also be required.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and the Division of State History.
- Permit fees and the Minerals Exploration Progress Report are due January 31.



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The Division's web page at http://ogm.utah.gov under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number E/019/0074. If you have questions or concerns regarding this letter, please contact Paul Baker at 801-538-5261 or Tom Munson at 801-538-5321. Best wishes exploring!

Sincerely,

Dana Dean, P.E. Associate Director, Mining

DD: tm: eb

Enclosure: Copy of RC & surety forms

Copy of approved NOI

CC:

BLM, rebecca doolittle@blm.gov BLM, opie_abeyta@blm.gov

SITLA, wstokes@utah.gov Grand County, dswasey@utah.gov

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